

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission,	:	
Bureau of Investigation and Enforcement	:	
	:	
v.	:	C-2024-3050319
	:	
Peoples Natural Gas Company LLC	:	

**INTERIM ORDER REOPENING THE RECORD AND REJECTING
JOINT PETITION FOR APPROVAL OF SETTLEMENT**

On July 26, 2024, the Pennsylvania Public Utility Commission, Bureau of Investigation and Enforcement (I&E or Complainant) filed a Formal Complaint with the Commission against Peoples Natural Gas Company LLC (Peoples or Respondent). I&E alleged, *inter alia*, that:

- a. Peoples’ employees who responded to the incident failed to take necessary actions to minimize the hazards of the released gas to life, property, and the environment, by failing to contact 911 emergency services, failing to shut off gas to the distribution pipeline, or failing to evacuate nearby residences;
- b. Peoples failed to use every reasonable effort to warn and protect the public from danger or exercise reasonable care to reduce the hazards to which employees, customers, and others may be subjected to by reason of its equipment and facilities;
- c. Peoples failed to train its Call Center employees on its Emergency Response Plan, in that Call Center employees did not participate in Annual Emergency Simulations and their responsibilities during an emergency are not clearly defined;
- d. Peoples failed to train its Operations Center employees on its Emergency Response Plan, in that Operations Center employees only received peer to peer training and did not participate in classroom training, specific to the Operations Center employees, or Annual Emergency Simulations;

- e. Peoples failed to gather all information related to the incident required under 49 CFR Part 191 and its own procedures and failed to submit the Department of Transportation Form RSPA F 7100.1 within thirty (30) days of the incident;
- f. Peoples failed to review their employee's actions taken during the incident to determine whether Peoples' procedures were followed or effective during the response to the incident;
- g. Peoples failed to conduct a post-incident review to ensure that its emergency response procedures were followed and were adequate;
- h. Peoples failed to have a root cause analysis developed, so that Peoples could incorporate lessons learned into their procedures;
- i. Peoples failed to have a written report prepared that investigated and analyzed the natural gas components involved in the incident, in order to determine the cause of the failure and how best to minimize the possibility of reoccurrence;
- j. Peoples failed to conduct a post-accident drug and alcohol testing of Peoples Customer Serviceman after the incident;
- k. Peoples failed to document, in its records, the decision not to conduct a drug and alcohol test of Peoples Customer Serviceman;
- l. Peoples failed to properly record monthly inspections of its fire extinguishers after having been previously alerted to this issue by Pipeline Safety; and
- m. Peoples failed to furnish and maintain adequate, efficient, safe and reasonable service and facilities and make such repairs, changes, alterations, substitutions, extensions and improvements in or to its service and facilities necessary or proper for the accommodation and safety of its patrons, employees and the public, thereby placing the safety of its customers, employees and the public in danger.

As relief, I&E requested that the Commission: (1) find Peoples to be in violation of the Public Utility Code, Commission regulations, and/or Code of Federal Regulations for each of the twenty-two (22) counts set forth in I&E's Complaint; (2) impose a cumulative civil penalty upon Peoples in the amount of in the amount of Eight Hundred Thousand Dollars (\$800,000.00); (3) direct Peoples to perform each of the corrective actions detailed in the Complaint; and (4) order such other remedies as the Commission may deem appropriate.

On August 7, 2024, Peoples filed a letter request directed to the Commission Secretary requesting an extension of time to file an answer to the Formal Complaint, which was granted by Secretarial Letter issued on August 8, 2024.

On September 11, 2024, Peoples filed a second letter request directed to the Commission Secretary requesting an extension of time to file an answer to the Formal Complaint, which was granted by Secretarial Letter issued on September 12, 2024.

On October 11, 2024, Peoples filed a third letter request directed to the Commission Secretary requesting an extension of time to file an answer to the Formal Complaint, which was granted by Secretarial Letter issued on October 15, 2024. The October 15, 2024 Secretarial Letter extended the filing deadline to October 18, 2024. No Answer has been filed to the Formal Complaint in this proceeding.

On October 18, 2024, Peoples filed a letter with the Commission Secretary requesting an extension of time to file a Joint Petition for Settlement, advising that the Parties had reached a settlement in principle on all issues in this proceeding.

Subsequently, this case was assigned to the undersigned presiding officer.

On January 17, 2025, the Parties filed a Joint Petition For Approval Of Settlement (Joint Petition, Settlement Petition or Settlement). Attached to the Joint Petition was joint proposed conclusions of law, marked as Appendix A; the Bureau of Investigation and Enforcement's Statement in Support of the Joint Petition For Approval of Settlement, marked as Appendix B; and, Peoples Statement In Support Of Settlement, marked as Appendix C.

Upon reviewing the record in this proceeding along with the Joint Petition, I noted while a Formal Complaint was filed by I&E seeking various remedies, including a civil penalty to be assessed against Peoples: (1) no answer or responsive pleading was filed by Peoples to the Formal Complaint; (2) there has been no evidentiary hearing before any tribunal; (3) there has

been no sworn testimony has been taken in any proceeding related to this incident¹; (4) there is no stipulation of facts in this proceeding. Thus, there is no evidentiary record to properly consider or support the proposed Settlement.

On March 28, 2025 an Interim Order was entered providing the Parties with an opportunity to file any appropriate and timely pleadings, file a proposed stipulation of fact to be entered into the evidentiary record, file a modified settlement with proposed stipulated facts or to otherwise address the issues raised, including the appropriateness and factual basis to consider a civil penalty and any other relief proposed in the Settlement. The Order also provided that, in the event that no additional filings are made by the Parties within 60 days of the date of the Order, on or before June 15, 2025, a status report shall be provided to the undersigned presiding officer.

Subsequently, the undersigned presiding officer was advised that the March 28, 2025, Order, which was filed with the Commission Secretary, was not properly served upon the Parties, through no fault of the Parties.

On September 3, 2025, an Interim Order was entered permitting the Parties to file any appropriate and timely pleadings, proposed stipulation of fact to be entered into the evidentiary record, or to file a modified settlement with proposed stipulated facts or to otherwise address the issues raised in this proceeding, on or before September 30, 2025.

On September 30, 2025, I&E and Peoples filed a Joint Stipulation of Facts in Support of Settlement.

On October 17, 2025, an Interim Order was entered approving the Joint Stipulation of the Bureau of Investigation And Enforcement of the Public Utility Commission and Peoples Natural Gas Company LLC, filed by the Parties on September 30, 2025 and admitting the stipulation into the evidentiary record to support the Joint Petition For Approval of Settlement in this proceeding. In addition, the evidentiary record was closed.

¹ Joint Petition p. 14.

In the proposed Settlement, the Parties acknowledge: (1) there has been no evidentiary hearing before any tribunal, and no sworn testimony has been taken in any proceeding related to this incident²; (2) the settlement is not the result of any decision, adjudication, sworn testimony or evidentiary hearing before any tribunal³; and (3) Parties' positions and claims are disputed.⁴

In addition, the proposed Settlement provides:

- Peoples pay a civil penalty in the amount of Three Hundred Twenty-Five Thousand Dollars (\$325,000.00);
- Peoples would make a donation in the amount of Fifty Thousand Dollars (\$50,000.00) to Tyrone, Pennsylvania area fire departments for the purchase and distribution of methane detectors to local businesses and residents;
- Peoples would not be prohibited from seeking recovery of the costs incurred to implement the remedial actions identified in the Settlement;
- Peoples would add language to its Call Center training materials and procedures that requires Call Center employees to ask the caller about potential pipeline damage or if they potentially damaged a Peoples facility when the caller indicates that they are a contractor, and if the contractor's answer is yes or unknown, the Peoples' Call Center employee would instruct the caller to contact 911;
- when responding to an outdoor leak emergency, if an on-site Peoples representative discovers suspected damage to its facilities during the course of the on-site investigation, the Peoples representative will notify its Operations Center to contact 911, as soon as safely and reasonably possible;
- Peoples would complete documentation (electronic or otherwise) of the initial site visit based on the best information available at that time and within a reasonable time after Peoples has deemed the situation safe;
- pursuant to the requirements in 49 CFR Part 199, if Peoples has an employee onsite at the time of a PHMSA reportable incident, Peoples would test each surviving covered employee whose performance of a

² Joint Petition ¶ 33.

³ Joint Petition ¶ 34.

⁴ Joint Petition ¶ 35.

covered function either contributed to the accident or cannot be completely discounted as a contributing factor to the incident and document its decision not to test a covered employee; that Peoples would retain a third-party consultant to compile all procedures and trainings related to emergency responses and develop trainings that are consistent with each other and the emergency response procedures in place; that Peoples would update its procedures and trainings to provide detailed directions and indicate under what circumstances evacuating and contacting 911 emergency services is a necessary safety measure;

- Peoples would provide training for any updated processes or procedures related to emergency response within six (6) months of the effective date of any changes to said processes and procedures;
- Peoples would gather all required data for submission of a complete incident report electronically, as required under 49 CFR § 191.9;
- Peoples will use “best available” information at the time of submission to complete the electronic incident reports;
- Peoples agreed to document when a request is made to the involved electric distribution company (EDC) to shut off power to impacted premises and to document and promote collaboration in responding to natural gas incidents;
- Peoples would enhance its annual Emergency Simulation training to evaluate the effectiveness of the simulations, consisting of a combination of a quality assurance (QA); that Peoples would perform periodic Monitored Excavation Inspections of the trenchless excavations it has direct notice or observation of, based on a risk-based approach in connection with a PA One Call ticket(s); and
- Peoples would implement Incident Command System (ICS) Training for certain necessary job functions related to emergency response within six (6) months of a Final Commission Order in this proceeding.⁵

In its Statement in Support of Settlement, Peoples asserts the natural gas incident that occurred on the 1300 block of Pennsylvania Avenue, Tyrone, Pennsylvania on July 26, 2021, was not caused by any action of Peoples. Peoples further submits the complaint filed by I&E does not assert deficiencies in Peoples’ facilities or infrastructure, but with its personnel training, call center and response practices, record keeping, and monitoring of third-party excavations, none of which, according to Peoples, played any factor in the incident. Peoples further asserts the

⁵ Joint Petition ¶ 36.

complaint filed by I&E does not assert deficiencies in Peoples' facilities or infrastructure, but with its personnel training, call center and response practices, record keeping, and monitoring of third-party excavations, none of which, according to Peoples, played any factor in the incident.

In its Statement in Support of Settlement, I&E asserts that Peoples's conduct includes the following: (1) failed to take necessary actions to minimize the hazards of released gas; (2) failed to use every reasonable effort to protect public from danger; (3) failed to train its Call Center and Operations Center employees on its Emergency Response Plan; (4) failed to submit the Department of Transportation Form RSPA F 7100.1; (5) failed to conduct a post-incident review to ensure that its emergency response procedures were followed and were adequate; (6) failed to have a root cause analysis developed; (7) failed to conduct post-accident drug and alcohol testing of its employee or document the decision not to administer the test; and (8) the aforementioned failures created an unsafe and hazardous condition. I&E notes that it has not alleged that Peoples was the direct or proximate cause of the excavation damage or gas leak.

I&E further asserts the actions and inactions of Peoples described above constitute conduct that placed the public safety at risk, and therefore, I&E concludes the civil penalty is warranted in this case.

The Parties stipulated:

- GJI contracted with the municipality for the rebuilding and replacement of its water system infrastructure, including the installation of new water mains and service connectors on Pennsylvania Avenue, between 10th and 16th Streets.
- On July 26, 2021, GJI engaged in excavation activities in the 1300 block of Pennsylvania Avenue, and during its excavation activities, GJI, while operating the Roddie Pit Shot horizontal directional drill, struck and bored through Peoples' 6-inch main, creating a 2-inch hole entering the bottom half of the plastic main.
- On July 26, 2021 at 11:52 a.m., a foreman for GJI contacted Peoples Call Center to report an outside odor of gas.
- The GJI foreman reported the address of 1306 Pennsylvania Avenue, but did not indicate that he worked for GJI, that excavation and/or drilling

activities were taking place, or that anyone could have damaged Peoples' natural gas facilities.

- The GJI foreman identified himself as a contractor who smelled gas outside beside an existing service near the shut off that goes to the house.
- The Peoples Call Center representative read the caller the precautions pursuant to Peoples' policies and procedures, although the Parties do not indicate what precautions were communicated to the GJI representative.
- Peoples Call Center issued an emergency service order at 12:04 p.m. and contacted Peoples Operations Center, responsible for receiving, identifying, classifying, and dispatching employees for emergencies, alerting the Operations Center to the emergency service order.
- At 12:05 p.m., Peoples dispatched a field customer serviceman (FCS) for an outside odor of gas to 1306 Pennsylvania Avenue and the FCS arrived at the scene at approximately 12:28 p.m.
- At some undesignated time, the Peoples FCS called his supervisor (Supervisor) to request the assistance of a Peoples' operations and maintenance crew (O&M).
- Subsequently, at some unspecified time, a Peoples' O&M crew was dispatched to the site.
- At 12:50 p.m., for an unspecified reason, the Peoples FCS placed another phone call to his Supervisor to report a serious incident involving suspected bore or missile damage to the Peoples' gas main line.
- The Parties further stipulated Peoples FCS testified in another proceeding that, at an undisclosed time, prior to the explosion, the FCS informed the residents of 1306 Pennsylvania Avenue twice that they needed to evacuate the building. In addition, at some undesignated time, before the explosion, Peoples FCS entered the residence through the basement to determine if gas was present inside the structure.
- At approximately 1:08 p.m., a natural gas explosion occurred at the residence located at 1306 Pennsylvania Avenue.
- Prior to the explosion, because the Peoples FCS was unable to complete his investigation and Peoples O&M crew had not yet arrived on scene, Peoples was unable to shut off gas service to the area or the service lines to the residences in the immediate vicinity.

The explosion resulted in one fatality, four injuries, complete destruction of one residence (1306 Pennsylvania Avenue), severe damage to a second residence (1308 Pennsylvania Avenue), and fire damage to a third residence (1310 Pennsylvania Avenue).

The Parties do not address whether or when the Peoples O&M crew arrived at the site or what action they performed or failed to perform. The Parties do stipulate that the Peoples' O&M crew arrived, at some undisclosed time, shortly after the explosion, and that at approximately 3:18 p.m., Peoples squeezed off the main line low-pressure pipe near the intersection of 13th Street and Pennsylvania Avenue and at the intersection of Cottage Street and Pennsylvania Avenue. Due to the intensity of the fire at 1306 and 1308 Pennsylvania Avenue, Peoples' crew could not turn off the curb valves for the service lines at 1306, 1308, or 1310 Pennsylvania Avenue following the explosion and gas was shut off successfully at approximately 3:18 p.m.

In its Statement in Support of Settlement, Peoples asserts the tragic incident was not caused by any action of Peoples, but was caused by the actions of GJI, who Peoples alleges failed to exercise due care or employ prudent techniques within the tolerance zone of Peoples marked facilities. Upon the arrival of Peoples' customer serviceman, Peoples argues GJI failed to inform Peoples that GJI struck the line or that GJI undertook various self-help measures that hindered Peoples emergency response efforts, including inserting rags in the receiving pit bore hole. Peoples claims GJI then left the scene, leaving Peoples' serviceman to investigate what he thought was only an outside odor. Despite these allegations by Peoples, there is no evidence in the stipulation of facts or Settlement to establish what investigation or discovery was conducted by the Parties or the presentation of any facts, reports or evidence to support such conclusions.

In its Statement in Support of Settlement, Peoples also asserts the Complaint filed by I&E asserts deficiencies in Peoples' personnel training, call center and response practices, record keeping, and monitoring of third-party excavations. Peoples asserts none of these allegations alleged by I&E, played any factor in the incident. Furthermore, the Settlement documents and stipulation of facts fail to acknowledge a single act or failure to act by Peoples that caused or contributed in any way to the allegations and unsafe conditions alleged by I&E.

Although I&E filed a Formal Complaint, no Answer was filed by Peoples and there has been no evidentiary hearing in this proceeding. In addition, although the Parties did present a stipulation of facts that was admitted into the record, the evidentiary record in this proceeding is insufficient to establish substantial evidence to properly consider or support the proposed Settlement. On its face it appears that there is not record evidence that the proposed Settlement is supported by substantial evidence and is in the public interest.

In addition to the inconsistencies in the positions of Peoples and I&E regarding Peoples alleged responsibility for the harm sustained, the Settlement also presents a number of questions not identified in the Settlement, regarding the discovery, investigation and inspections performed by the Parties to the Settlement, related to various issues identified in this proceeding.

Although Commission policy promotes settlements,⁶ “[t]he focus of inquiry for determining whether a proposed settlement should be recommended for approval is not a ‘burden of proof’ standard, as is utilized for contested matters.”⁷ Instead, the benchmark for determining the acceptability of a settlement is whether the proposed terms and conditions are in the public interest.⁸

In addition, the Commission’s Policy Statement sets forth ten (10) factors that the Commission may consider in evaluating whether a civil penalty for violating a Commission order, regulation, or statute is appropriate, as well as whether a proposed settlement for a violation is reasonable and in the public interest.⁹ Unfortunately, here, there is simply not sufficient evidence to properly and adequately access the facts and circumstances presented in this proceeding in order to properly conclude whether the proposed Settlement is in the public interest.

⁶ See 52 Pa. Code § 5.231.

⁷ *Pa. Pub. Util. Comm’n, et al. v. City of Lancaster – Bureau of Water*, Docket Nos. R-2010-2179103, *et al.* (Order entered July 14, 2011) at p. 11.

⁸ *Pa. Pub. Util. Comm’n v. Philadelphia Gas Works*, Docket No. M- 00031768 (Order entered January 7, 2004).

⁹ 52 Pa. Code § 69.1201.

For the foregoing reasons, I find that the Joint Settlement is not in the public interest and recommend it not be adopted and that an evidentiary hearing be scheduled. Accordingly, the following Order will be entered.

THEREFORE,

IT IS ORDERED:

1. That the evidentiary record at Docket No. C-2024-3050319 shall be reopened.
2. That a status report shall be provided to the undersigned presiding officer by all parties to this proceeding addressing the issues raised in this Interim Order, as well as all dates in which the Parties and their witnesses are available to conduct a four day in-person evidentiary hearing in Harrisburg or Pittsburgh, Pennsylvania, in March of 2026.

Date: October 27, 2025

Jeffrey A. Watson
Administrative Law Judge

C-2024-3050319 PENNSYLVANIA PUBLIC UTILITY COMMISSION BUREAU OF INVESTIGATION AND ENFORCEMENT v. PEOPLES NATURAL GAS COMPANY LLC

Revised: October 17, 2025

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